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SUBJECT: EU-U.S. LATIN AMERICA POLICIES CONVERGING

Classified By: Pol MC Christopher Davis for reasons 1.4 b,d.

¶1. (C) Summary: During biannual consultations on Latin American issues June 24, U.S. and EU officials agreed to seek opportunities to work together with select countries or regions, including, potentially, on counternarcotics and biofuels development in Bolivia and citizen security and renewable energy development in the Caribbean. Both sides noted U.S. and EU approaches toward the Americas have become more closely aligned under the Obama administration. EU officials believe Cuba is slowly becoming more open as evidenced by its recent response to an EU request for a health status report of political prisoners. The EU said that Venezuela has been a more difficult negotiating partner than Cuba, and that Venezuela seems to prefer working bilaterally with EU member states rather than with the EU as a whole. The Government of Bolivia has asked the EU to compensate for the loss of U.S. drug enforcement funding after the GOB expelled DEA. The incoming Swedish EU Presidency would like to schedule the next COLAT Troika for late September in Washington. End Summary.

EU and U.S. policies converging

¶2. (C) WHA PDAS Craig Kelly led the U.S. side for talks with the EU in the troika format. Veronika Bajgarova, Deputy Director for the Americas at the Czech Republic's MFA, represented the EU Presidency, Karl Buck represented the Council Secretariat, and Marie-Anne Coninx of DG-RELEX led a team from the European Commission during the four-hour COLAT Troika consultations. Kelly said the new administration's approach is characterized by listening and engagement, and noted that both the new U.S. tone and the focus on social cohesion give the U.S. a chance to work more closely with the EU. He said the President and Secretary of State are very focused on issues in the hemisphere, and that leaders from most Western Hemisphere countries had met either the President, VP, or Secretary even prior to the Summit of the Americas. The Secretary followed up with a trip to El Salvador for the Pathways to Prosperity in the Americas ministerial and the presidential inauguration, as well as to Honduras for the OAS General Assembly.

¶3. (SBU) Annual U.S. spending in Latin America has doubled to \$2 billion in recent years, Kelly said, and we are focused actively on directing that aid to the three major areas that the President and Secretary have outlined: economic recovery and social inclusion; energy and climate; and citizen safety. Moreover, our roughly \$640 billion per year in two-way trade in Latin America and the Caribbean gives us great leverage to help partner countries fight poverty and seek more inclusive prosperity. That is why the administration has relaunched and fortified the Pathways to Prosperity in the Americas initiative to allow us to work closely with our trading partners to spread the benefits of trade more broadly in our societies and to strengthen social inclusion. Likewise, the President has launched the Energy and Climate Partnership of the Americas to achieve a multiplier effect in the hemisphere in energy efficiency, renewable energy, cleaner fossil fuel

and other areas. Both Pathways and the Energy and Climate Partnership reflect a new way of doing diplomacy in the region - with flexible, multilateral dialogue involving many government agencies, civil society, the private sector and other entities.

EU focuses on investment, technology, regional integration

¶4. (C) Coninsx said the EU is currently working on a new strategy toward Latin America to be finalized in September. It is expected to include a new EU vehicle for investment that would allow member states, international financial institutions and private actors to invest in a variety of sectors, including energy, the environment, transportation and social programs. The 2010 EU-LAC Summit in Madrid will focus on technology and innovation, she said. In the Caribbean, John Caloghirou, Head of Unit for the Caribbean at DG-DEV, said regional integration is the cornerstone of EU policy. "They are finally realizing the era of preferences is over," he said. But challenges remain. Bajgarova said she tried unsuccessfully to schedule an EU political dialogue with the Caribbean during the six months of the Czech EU Presidency but could not get a confirmed date from the Caribbean countries.

EU sees subtle positive change in Cuba

¶5. (C) EU officials said internal discussions leading to recent Council Conclusions on Cuba were "not easy" due to member state disagreements over policy. The EU agreed in the

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end to focus on issues of benefit to the general population, and to funnel all assistance through the UN system and NGOs. The EU also will continue its formal Political Dialogue with Cuba, begun under the 2008 French EU Presidency, for another year, through the Swedish and Spanish EU presidencies. Said Caloghirou, "It is a welcome thing that our approach is converging (with the U.S.). If we ever make a difference in that country, it will be through engaging." The EU met recently with Cuba during a Geneva meeting on the Universal Periodic Review and at a Political Directors meeting in Prague. Bajgarova related how a new Cuban minister refused to accept a list of political prisoners from the EU, but then decided to copy the list as a way to circumvent his orders from capital not to accept the list. At a subsequent ministerial meeting, Cuban officials reported to the EU that all 17 prisoners were in good health except three who were receiving proper treatment. "The fact that we got a response on prisoners is enormous," said Caloghirou. "It's a recognition that there are political prisoners and represents a real difference in mentality. As subtle and embryonic as it may be, something is happening in Cuba." The European Commission has restarted development cooperation, which had been suspended in 2003, and is focusing its efforts on post-hurricane recovery and other programs to benefit the population directly. In response to EU questions about potential lifting of the U.S. embargo, Kelly said the President has already announced several important steps in our bilateral relations with Cuba. We need to implement those steps and evaluate them before considering next measures to take. Kelly said he appreciated receiving information from the EU regarding its contacts with Cuba. He reviewed the process leading to the recent OAS resolution on Cuba and underscored the importance of the OAS explicitly citing once again the principles of democracy and human rights at the core of the organization.

EU finds Venezuela more challenging partner than Cuba

¶6. (C) Bajgarova said Venezuela has been a more difficult negotiating partner than Cuba and that the EU's access to Venezuelan officials is quite limited. Venezuela has

approached a number of EU member states to set up individual framework agreements on economic, political, cultural and educational cooperation, and seems to prefer working with European states bilaterally rather than with the EU as a whole. Asked by the EU for U.S. views on President Chavez, Kelly said he is more of a populist and an autocrat than a socialist, and is threatened by President Obama's ability to speak directly to the Venezuelan people about issues of social cohesion. To respond to Venezuelan influence in the Caribbean, Kelly suggested that the EU and U.S. consider working together with Caribbean countries to develop renewable energy resources and other energy initiatives.

Bolivia wants EU to step in after DEA ouster

¶7. (C) Bolivia was another country where the EU and U.S. brainstormed about possible future cooperation, specifically in the area of counternarcotics and promoting production of non-food raw materials for biofuels. Kelly noted that while counternarcotics is critical, the U.S. wants to work with Andean countries to help achieve more prosperous and secure societies with greater levels of social inclusion. Bajgarova and Buck confirmed that the Government of Bolivia, following its expulsion of DEA, approached the EU about filling the gap. The EU responded that it could not take the place of DEA, but that it was open to playing a larger role in counternarcotics efforts provided the GOB is more cooperative and forthcoming with information. The EU said it finds the Andean countries very difficult to deal with as a bloc, and noted that the only one of the five scheduled Latin American consultations that did not take place during the Czech Presidency was the Andean Troika.

Human rights, Nicaragua, Guatemala

¶8. (C) The EU has had three of five planned human rights dialogues with Latin American countries. Bajgarova characterized the discussions with Colombia and Brazil as good and those with Chile as excellent. Human rights dialogues with Argentina and Mexico are still being scheduled, though the Mexican talks have been problematic due to Mexico's insistence on reciprocal talks in Brussels, a non-starter for the EU. On Guatemala, both sides noted their satisfaction that the mandate of the International Commission against Impunity in Guatemala has been extended. On Nicaragua, the EU, after much debate, decided to continue its dialogue with the government so as to have an official forum in which to raise concerns.

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Follow-up issues

¶9. (U) Looking to the next COLAT Troika, the representative of the incoming Swedish EU Presidency proposed meeting in late September in Washington. Swedish officials will be in NY for UNGA September 21-25, followed by a troika meeting with Canada September 28 in Ottawa, and would like to add a stop in Washington while they are in North America. Additionally, both sides agreed to try and schedule soon a conference call between the EU and WHA regarding the Merida initiative.

¶10. (U) PDAS Kelly has cleared this report.
MURRAY

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